

March 6, 2009

To whom it may concern

### New Mid-term Management Plan

Please be kindly informed that we have resolved new Mid-term Management Plan of Maruichi Group at the Board of Directors Meeting held on March 6, 2009. We, Maruichi Steel, implemented many business activities based on the first Mid-term Management Plan (First Plan) since April 2006, and we believe that we have successfully achieved the First Plan. From April of this year, we will work out based on new Mid-term Management Plan (Second Plan) so that we can overcome severe business circumstances caused by world economic crisis soonest possible and to expand our business field furthermore through firm implementation of many measures in order to maintain one of leading tube and pipe makers in Japan, Asia and U.S.A.

#### 1. Major Target in Consolidated Financial Account

The comparison table of First Plan and Second Plan: (Unit: million US\$)

Items	<u>First Plan</u>			<u>Second Plan</u>
	Mar 2008 (Actual)	Mar 2009 (Target)	Mar 2009 (Estimates)	Mar 2012 (Target)
Sales	1,188	1,500	1,544	1,600
Business profit				220
Recurring profit	220	240	180	260
<u>Net profit</u>				<u>150</u>
Net profit per share	US\$1.25	US\$1.37	US\$0.42	US\$1.70
Shareholders' equity per share	US\$23.49	US\$23.27	US\$21.59	ROE 8.00%

(Note)

##### 1) Mar 2009 Estimates:

Sales will be as planned, but profit will not be attained due to depreciation of inventory and devaluation of investment securities (each about US\$100 million).

##### 2) Mar 2012 Target:

We anticipate severe economy will last between fiscal year 2009 and fiscal year 2010. But we will do our best to overcome this difficulty and to implement many measures positively for our development. Our target in fiscal year 2011 is to achieve better financial results than the actual financial results of First Plan, especially sales and profits.

## 2. Performance of First Plan

During our First Plan, in order to materialize our strategic development, we have invested to top press-column maker of Seikeicolumn Co.,Ltd. and square and special shape steel tube maker of Toyo Superior Steel Tube Works, Ltd. in Japan, and to Sun Steel Joint Stock Company in Vietnam and Leavitt Tube Company LLC in U.S.A. Also Maruichi Metal Product (Foshan) Co.,Ltd. was established in China.

As we consider that profit returning to shareholders is important, we continue to purchase our company shares from stock market and maintain existing dividend system based on 40% pay out ratio of net profit of individual financial results.

The enforcement results of subjects of First Plan are mentioned below.

- (1) Enforcement of existing business
  - 1) Enforcement of sales power
    - Change of metal coating system from normal galvanization to 55% Aluminum-Zinc galvanization (AL-Z55).
  - 2) Enforcement of production capacity and quality assurance
    - Refresh and renewal works at Sakai plant and etc.
  - 3) Safety and Environment
    - Appointment of Safety Education General Manger and conversion of welding machines into energy-save type
  - 4) Reform of personnel system and organization
    - Change of employee pension fund system.
  - 5) Revolution of business process and IT investment for efficient management
    - Introduction new computer system (Investment of US\$14 million)
- (2) Overseas Development
  - 1) Establishment of new production base in Asia.
    - Investment to Sun Steel (US\$70 million) and Installation of 16” tube mill
    - Establishment of Maruichi Metal Product in April 2005
    - Additional share holding in Indonesian Steel Tube Works
  - 2) Establishment of corporate entity in the North and Central America.
    - M&A for Leavitt Tube Company (US\$90 million)
  - 3) Strengthen of business tie with allied overseas companies.
    - Sales cooperation of structural light steel building material of LiteSteel Beam with Australian Tube Mills
  - 4) Investment for stable procurement of materials.
    - Continuous share purchase of China Steel Corporation in Taiwan.

(3) Development of New Business

- 1) Development of new products in existing business and new business development in peripheral industries.

-----Acquisition of material approval of LiteSteel Beam from Ministry of Land, Infrastructure and Transport of Japan

-----Investment to Seikeicolumn (US\$15.4 million)

- 2) Investment to new business fields by using Maruichi Business Fund.

-----Investment to Toyo Superior Steel Tube (US\$1.9 million)

(4) For going-concern and symbiotic company with society

- 1) Strengthen Compliance, Corporate Governance and Corporate Social Responsibility.

-----Establishment of the compliance committee and the risk management committee.

-----Joint support for Mesenat activities

- 2) Effort for setting complete law-abiding spirits.

-----Periodical meetings for compliance education

- 3) Restructuring and enforcement of corporate governance including establishment of internal controlling system.

-----Establishment of Internal Auditing Office and introduction of Internal Controlling System in accordance with commercial law

- 4) Effort for improving transparency of corporate management.

-----Implementation of interlocking dividend and employee bonus system based on financial results of each year

-----Company share purchase from stock market (5.5 million shares) and cancellation of company-own purchased shares (4.3 million shares)

- 5) Job assurance for employee and contribution to local society.

-----Establishment of re-employment system for retired employees

3. Main points of New Mid-term Management Plan

In order to overcome current difficult economy and to maintain sustainable growth and improvement of Enterprise Value of Maruichi Group, we have established the following measures with positive strategic investments.

(1) Efficiency improvement of existing domestic business

- 1) Efficiency improvement of domestic plants

- 2) Collaboration with Seikeicolumn and Toyo Superior Steel Tube

(2) Overseas business development

- 1) Stable management and business development at Sun Steel in Vietnam.

-----Installation of 16" mill at existing plant near Ho Chi Minh and

- Construction of new pipe manufacturing plant in Hanoi.
- 2) Stable management and business development at Maruichi Metal Product in China
  - 3) Strategic development in North America.
    - Expansion of business activities at Leavitt Tube and Maruichi American Corp.
  - 4) Investment for stable procurement of materials
  - 5) Strong control of overseas affiliate companies and establishment of internal controlling system
- (3) Positive development toward new business field
- 1) Advance toward new products in Japan
    - Study of new product field and collaboration with other companies
  - 2) Advance toward new market/area in overseas
    - Study of new business in Asia and North America
- (4) Improvement of management efficiency by introduction of IT and education of employees
- 1) Improvement of management efficiency
  - 2) Employee education aiming for next generation
    - Staff education for creating members workable in overseas
- (5) Positive response toward environmental protection
- 1) Group cooperation for reduction of energy consumption and CO2 exhaust
- (6) Capital efficiency
- 1) Capital management for shareholders' interest
    - Maintenance of high return to shareholders. Share buy-back and 40% pay out ratio dividend system.
  - 2) Review of holding financial assets
- (7) For going-concern and symbiotic company with society
- 1) Strengthen Compliance, Corporate Governance and Corporate Social Responsibility.
  - 2) Effective management of Internal Controlling System
  - 3) Effort for improving transparency of corporate management.

Maruichi Steel Tube Ltd.  
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